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(AM0163, Legislative Journal page 459.)

SPEAKER KRISTENSEN: Senator Hartnett, you're recognized to open on the bill.

SENATOR HARTNETT: Mr. Speaker and members of the body, this deals with the area of gray marketing in gray market cigarettes, and what happens with gray market cigarettes, they're produced in the United States and exported to foreign markets. Independent brokers purchase gray cigarettes from these markets. We import them into the United States and sell at reduced price because they are exempt from state and federal local taxes. LB 358 will make it illegal to place a state tax stamp or meter impression on any cigarette package that is marked with labels identifying it for shipment to a foreign country or consumption beyond the jurisdiction of Internal Revenue laws of the United States. This bill would (inaudible) violation with a guilty of a Class IV felony. This bill has been passed in...since 1998, with 45 states, so I simply ask for the advancement. I think it's...it...it figures...it covers a loophole that we have right now.

SPEAKER KRISTENSEN: Senator Hartnett, are you finished with your opening?

SENATOR HARTNETT: Yeah, I'll give my...

SPEAKER KRISTENSEN: Thank you.

SENATOR HARTNETT: (Microphone malfunction) which I support.

SPEAKER KRISTENSEN: The Chair of the General Affairs Committee, Senator Janssen, you're recognized to open on the committee amendment.

SENATOR JANSSEN: Thank you, Mr. Speaker, members. This is a fairly simple amendment. It basically does two things. First, it adds the emergency clause and, second, it removes the civil penalties that were originally called for in the bill. The bill has a Class IV penalty in it now, so we felt as though that that would...that would be sufficient penalties. With that, that's